

Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 XMB-02
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FM AMEMBASSY MOSCOW
TO SECSTATE WAHDC PRIORITY 5169
INFO AMEMBASSY PARIS PRIORITY
AMEMBASSY TOKYO PRIORITY

C O N F I D E N T I A L MOSCOW 3506

EO 11652: GDS
TAGS: ELON ENRG ETRD UR
SUBJECT: YAKUTSK LNG PROJECT

REF: STATE 57959

1. WE APPRECIATE INFORMATION PROVIDED REFTEL. WE WERE PARTICULARLY STRUCK BY LISTER'S REFERENCE TO REPORT THAT SOVIETS SOMETIME AGO CONFIRMED ONE-THIRD OF TOTAL AMOUNT REQUIRED TO MAKE YAKUTSK PROJECT COMMERCIALY FEASIBLE (ONE TRILLION CUBIC METERS) AND HIS STATEMENT THAT NO AGREEMENT ON GENERAL PROJECT WOULD BE SIGNED UNTIL ONE TCM OF GAS IS PROVEN AND CONFIRMED BY CONSULTANT.

2. 1976 BOOK BY MINISTER OF GAS INDUSTRY ORUDZHEV ("GAZOVAYA PROMYSHLENNOSTPO PUTI PROGRESSA") STATES THAT RESERVES OF SIBERIA AND THE FAR EAST WERE 18.2 TRILLION CUBIC METERS AT THE BEGINNING OF 1976 (OF A TOTAL 25.8 TCU FOR USSR ON THAT DATE). IN SPECIFIC REFERENCE TO YAKUTSK AREA ORUDZHEV GIVES NO FIGURES, MENTIONING ONLY EXPLORATORY WORK AND FAVORABLE GEOLOGICAL FORMATIONS, IN
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CONTRAST TO HIS SPECIFIC REFERENCES TO RESERVES AT OTHER GAS-BEARING FORMATIONS WHERE AT LEAST ONE TRILLION CBM HAVE BEEN PROVEN AND CONFIRMED.

3. DURING FEBRUARY 21, 1977, SESSION AT MINISTRY OF GAS INDUSTRIES, A.D. SEDYKH, CHIEF OF THE MINISTRY'S TECHNICAL ADMINISTRATION, GAVE A BRIEF OVERVIEW OF SOVIET GAS

RESERVERS FOR BENEFIT OF US DELEGATION (INCLUDING EMBASSY E/C COUNSELOR). SEDYKH GAVE SAME FIGURE AS ORUDZHEV BOOK FOR TOTAL RESERVES OF WHICH HE SAID 18.2 TRILLION WERE IN SIBERIA AND 17.1 TRILLION IN TYUMEN ALONE. HIS ONLY SPECIFIC REFERENCE TO YAKUTSK WAS THAT PROVEN RESERVES SO FAR WERE INSIGNIFICANT AND SUFFICIENT ONLY FOR LOCAL NEEDS. HE SUPPLIED NO FIGURES ON THESE RESERVES AND MENTIONED NO NEW FINDINGS.

4. JAPANESE AMBASSADOR, IN MENTIONING UPCOMING TRILATERAL MEETING TO E/C COUNSELOR LAST WEEK, CONFIRMED REPORTS WER HAVE HEARD EARLIER THAT JAPANESE INTEREST IN YAKUTSK REMAINS STRONG AND THAT THEY ARE HOPEFUL THAT THERE WILL BE SOME FORM OF GREEN LIGHT FROM USG TO ENCOURAGE US PARTICIPATION IN THE PROJECT. AMBASSADOR DID NOT MENTION, HOWEVE, ANY NEW FINDINGS.

5. COMMENT: IT REMAINS POSSIBLE THAT SUBSEQUENT TO PUBLICA- TION OF ORUDZHEV BOOK SOVIET EXPLORATORY ACTIVITY IN THE YAKUTSK AREA DID IN FACT DETERMINE THAT PROVEN RESERVES THRE EXCEED ONE TRILLION CUBIC METERS. IT IS ALSO AT LEAST CONCEIVABLE THAT SEDYKH, WHOSE MAIN THEME WAS TYUMEN, WAS UNAWARE OF THIS DEVELOPMENT OR OTHRWISE ERRED IN HIS PRESENTATION. NEVERTHELESS, THE BOOK, THE FLAT STATEMENT ON YAKUTSK AND THE ARITHMETIC DEDUCTION FROM THE INFORMATION GIVEN THAT ALL SIBERIA OUTSIDE OF TYUMEN HAD (OR HAS) ONLY 1.1 TCM PROVEN RESERVES SUGGESTS THAT THE EL PASO NATURAL GAS REPRESENTATIVES SHOULD PROBE THE SOVIET GAS MINISTRY OFFICIALS CLOSELY ABOUT DATA AND RELIABILITY OF THE REPORT THAT ONE TRILLION CUBIC METERS HAVE ALREADY
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BEEN PROVEN FOR YAKUTSK.

6. WE HOPE THAT EL PASO REPRESENTATIVES WILL CONTACT EMBASSY WHEN IN MOSCOW. WE WILL OF COURSE REPORT ALL INFORMATION ON THEIR NEGOTIATIONS HERE THAT BECOMES AVAILABLE TO US.
TOON

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Message Attributes

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Copy: SINGLE
Sent Date: 16-Mar-1977 12:00:00 am
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Disposition Approved on Date:
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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